NUEXCO

EXECUTIVE SUMMARY
REPORT 240
(All data as of July 31, 1988)

Exchange Value $14.75, down $0.35

The **Exchange Value** is **$14.75** per pound U_3O_8, down $0.35 since last month. The **US Premium** (relative to the Exchange Value) is unchanged at **zero**.

UF_6 Value $42.75, down $1.25

The **UF_6 Value** is **$42.75** per kg U as UF_6, down $1.25 since last month. The **US Premium** (relative to the UF_6 Value) remains at **zero**.

Transactions

Ten recent natural uranium sales are reported, involving approximately **5.0 million** pounds equivalent U_3O_8. Seven of these sales involved spot or near-term delivery, and met the conditions for inclusion in the Transaction Value. Active spot and near-term **uranium supply** amounts to **7.9 million** pounds U_3O_8 equivalent, an increase of 500,000 pounds since last month. Active spot and near-term **uranium demand** totals **1.7 million** pounds, up 400,000 pounds since last month. The spot and near-term **supply-demand ratio** fell to **4.6** from 5.5.

Transaction Value $15.45, down $0.35

The **Transaction Value** is **$15.45** per pound U_3O_8, **down $0.35** since last month. The calculation includes 15 transactions involving a total of more than 2.4 million pounds U_3O_8 and equivalent UF_6 and covers a period of 3 months.

Loan Rate 3.5%, unchanged

The **Loan Rate** is **3.5 percent** per annum, unchanged. One loan transaction is reported.

Conversion Value $1.85, up $0.05

The **Conversion Value** is **$1.85** per pound U as UF_6, an increase of $0.05 since last month. No secondary market transactions for conversion services took place this month. Active demand totals 1.3 million pounds U as UF_6.

SWU Value $68, unchanged

The **SWU Value** at 0.3% tails assay is **$68** per SWU, unchanged since last month. No secondary market SWU transactions are reported this month.

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Analysis and Commentary

The US nuclear power plant backlog continues to decline, and only seventeen units now remain.

NUEXCO forecasts world uranium production over the period 1988 to 2000 to total 1.8 billion pounds U_3O_8.

Recent Developments

Second quarter 1988 production from the Republic of South Africa increased by more than four percent over the previous quarter.

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NUEXCO REPORT 240 FIGURES OF THE MONTH (July 31, 1988)	This Month (Report 240)	Last Month (Report 239)	12 Months Ago (Report 228)
Exchange Value ($US per pound U_3O_8)	14.75	15.10	16.75
US Premium for the Exchange Value ($US per pound U_3O_8)	0	0	2.50
UF_6 Value ($US per kg U as UF_6)	42.75	44.00	47.50
US Premium for the UF_6 Value ($US per kg U as UF_6)	0	0	6.50
Transaction Value ($US per pound U_3O_8 equivalent)	15.45	15.80	17.30
Loan Rate (Per Annum)	3.5%	3.5%	3%
Conversion Value ($US per pound U as UF_6)	1.85	1.80	1.90
Near-Term Uranium Supply[1] (millions of pounds U_3O_8)	7.9	7.2	2.8
Near-Term Uranium Demand[2] (millions of pounds U_3O_8)	1.7	1.3	2.5
Near-Term Supply-Demand Ratio	4.6	5.5	1.1
Recent Uranium Sales:[3]			
Number of Transactions	10	8	8
Quantity of Material (Millions of pounds U_3O_8 equivalent)	5.0	8.4	1.8
Nuexco SWU Value: ($US per SWU)[8]			
at 0.3 tails assay	68	68	75
US DOE SWU Prices: ($US per SWU)			
USEC	117.00[4]	117.00[4]	119.00[5]
AFC	153.00[6]	153.00[6]	153.00[6]
Requirements	157.00[6]	157.00[6]	157.00[6]
Incentive Price	90.00[7]	90.00[7]	90.00[7]
Market Value of Enriched UF_6[8]: ($US per kg U as UF_6)			
2.5 w/o U_{235}	401	405	447
3.0 w/o U_{235}	513	518	572
3.5 w/o U_{235}	627	633	699
4.0 w/o U_{235}	742	750	827

[1] Active inquiries to sell, for delivery within 12 months after contract signing.
[2] Active inquiries to purchase, for delivery within 12 months after contract signing.
[3] Uranium sales only; does not include loans, conversion, or SWU transactions.
[4] Effective since 10/1/87.
[5] Effective since 10/1/86.
[6] Effective since 10/1/84.
[7] Effective since 10/1/86, for up to 30% of annual requirements.
[8] Calculated using the Nuexco Exchange Value, Conversion Value, SWU Value and 0.30 percent tails assay.

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